



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 8, 1996

Karen Palmer
Diamond K Gypsum Company
234 North 500 West
Richfield, Utah 84701

Re: Reclamation Surety, Diamond K Gypsum Company (DKG), DKG Quarry, M/015/041, (UTU-69860), Emery County, Utah

Dear Ms. Palmer:

At long last we are ready to proceed with the reclamation surety for the DKG quarry operations in Emery County. We had suspended proceeding with this paperwork until the BLM State Office clarified their surety requirements for this operation. The Division was not able to proceed with the public notice and public comment period as indicated in our tentative approval letter of July 18, 1995, but we will begin the process in the next several days.

The BLM has informed us they cannot recognize the \$10,000 "License and Permit Bond" from Western Surety Company posted by DKG with Emery County for reclamation of the mine site. The Division also cannot recognize this \$10,000 surety posted with Emery County. The simplest way to satisfy the surety requirements of Emery County, the BLM and the Division, would be to post one surety for the total amount with the Division using our joint agency forms. From previous discussions with Bryant Anderson, Emery County would recognize a surety posted with the Division for reclamation of mining disturbances. This recognition would eliminate the need for Diamond K to "double bond" for reclamation of the mine site. The Division can provide the County with a letter stating the reclamation surety for this site will not be released without written notification from them.

To continue the permitting process and receive final approval, DKG will need to provide the following items to the Division: (1) a letter of response to the outstanding items described in the Division's July 18, 1995 letter; (2) a reclamation surety in the amount of \$29,400 which jointly lists the Division and the BLM, and (3) a completed reclamation contract form. After receiving these items, the Division will present the amount and form of surety to the Board of Oil, Gas and Mining for approval. The Division will issue final approval after the Board approves of the surety.



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January 8, 1995

During our phone conversation on January 4, 1996, you indicated the preferred form of surety would be a letter of credit. In this case, please use the joint agency letter of credit form provided by the Division. In the blank lines under the title block of the Letter of Credit form you will need to add: "US Department of the Interior, Bureau of Land Management, 324 South State, Salt Lake City, Utah 84111. In the section after item one, the name of the cooperative agency should be "USDI - Bureau of Land Management."

During our phone discussion on January 4, 1996, you planned on providing drafts of the reclamation contract and letter of credit to the Division prior to January 9, 1996. We would need this information by that date in order to list this item on the docket for the Board's January 24, 1996 hearing. We would need the original signed copies of these documents no later than the day before the Board hearing. As an alternate plan, we would need to receive the documents by February 9 in order to meet the deadline for listing items on the February 28, 1996 Board hearing,

Thank you for your cooperation in completing this permitting action. If you need further assistance in this matter, please contact me or Wayne Hedberg here at the Division.

Sincerely,



Anthony A. Gallegos
Senior Reclamation Specialist

cc: Bryant Anderson, Emery County
Neil Simmons, BLM San Rafael RA
M15-41.let

